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6 March 1950

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NOTE BY THE SECRETARIES

to the

JOINT INTELLIGENCE COMMITTEE

on

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PLANNING FOR ECONOMIC WARFARE

References: a. J.C.S. 2038/1
b. J.I.C. 496/D

The attached draft JLPC-JSPC-JIC report (J.L.P.C. 456/1), prepared by the Joint Logistics Plans Group in collaboration with the Joint Strategic Plans and Joint Intelligence Groups, is submitted to the Joint Intelligence Committee for consideration.

C. R. PECK

G. R. HELMER

Joint Secretariat

JCS review(s) completed.

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S E C R E T

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J.L.P.C. 456/13 March 1950JOINT LOGISTICS PLANS COMMITTEEPLANNING FOR ECONOMIC WARFAREReferences: a. J.C.S. 2038/1
b. J.L.P.C. 456/DNote by the Secretaries

The attached report, prepared by the Joint Logistics Plans Group in collaboration with the Joint Strategic Plans Group and the Joint Intelligence Group in accordance with reference b, is circulated to the Joint Logistics Plans Committee, Joint Strategic Plans Committee and Joint Intelligence Committee for consideration.

P. C. STIMSON,

A. J. EVANS, Jr.,

Joint Secretariat.

S E C R E TJ.L.P.C. 456/1

S E C R E T

REPORT BY THE JOINT LOGISTICS PLANS COMMITTEE
(In collaboration with Joint Strategic Plans Committee
and Joint Intelligence Committee)

to the
JOINT CHIEFS OF STAFF

on
PLANNING FOR ECONOMIC WARFARE
Reference: J.C.S. 2038/1

THE PROBLEM

1. To furnish the Munitions Board:
 - a. Comments and recommendations on the six monographs (NSRB Doc. 118/1-6) issued by the National Security Resources Board, and
 - b. Guidance for the preparation of the Munitions Board Outline Plan for Economic Warfare.

ASSUMPTION

2. For the purpose of this paper, economic warfare means:

The use of economic, diplomatic, military or other measures to injure an enemy's economic support of his war effort or a possible enemy's economic potential. It includes such measures as shipping controls, naval interceptions, export controls, proclaimed listing, preclusive buying, financial precautions, war trade agreements, alien property control, foreign exchange control, and military attack on enemy economic targets.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

3. See Enclosure "B".

RECOMMENDATION

4. That the memorandum in Enclosure "A" be forwarded to the Chairman of the Munitions Board.

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ENCLOSURE "A"

D R A F T

MEMORANDUM FOR THE CHAIRMAN, MUNITIONS BOARD

The Munitions Board requested the Joint Chiefs of Staff to furnish

- a. Comments and recommendations on the six monographs (NSRB Doc. 118/1-6) issued by the National Security Resources Board, and
- b. Guidance for the preparation of the Munitions Board Outline Plan for Economic Warfare.

The monographs listed above are essentially descriptions of standard nonmilitary procedures for waging economic warfare. As such, they provide a general basis for planning in the fields covered, and contribute toward an understanding of certain phases of economic warfare. As thus far published, the monographs contain no provisions for over-all coordination of current foreign economic measures in peace nor economic warfare in emergency and war. It is important that the planning by civilian agencies for implementation of the readiness and wartime recommendations of foreign economic measures, such as contained in these monographs, should be properly correlated with military plans through planning agencies of the Department of Defense.

In response to the request of the Munitions Board for guidance for the preparation of their outline plan for economic warfare, it is considered that from the viewpoint of the Joint Chiefs of Staff the outline plan for economic warfare should contain the following:

- a. Organizational structure within the Department of Defense for economic warfare.

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Enclosure "A"

S E C R E T

b. Scope of economic warfare interests of the Department of Defense.

c. Economic measures to be taken under conditions short of war.

d. Economic measures to be undertaken in the event of war.

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Enclosure "A"

S E C R E TENCLOSURE "B"FACTS BEARING ON THE PROBLEM AND DISCUSSION

1. Six of a series of monographs designed to serve as a general guide for executive branch agencies in their participation in mobilization planning for foreign economic measures have been prepared and circulated by the National Security Resources Board. They are listed below:

- a. Proclaimed Listing, NSRB Doc. 118/1
- b. Preclusive Buying, NSRB Doc. 118/2
- c. Export Controls, NSRB Doc. 118/3
- d. Import Controls, NSRB Doc. 118/4
- e. Foreign Economic Assistance, NSRB Doc. 118/5
- f. Foreign Assets Control, NSRB Doc. 118/6

2. The Secretary of Defense has by letter to the National Security Resources Board accepted, as have other interested government agencies, the first five monographs (NSRB Doc. 118/1-5) as a working basis for interagency collaboration in the event of war.

3. Additional monographs on subjects such as those listed below will be added to this NSRB Series:

- a. Foreign procurement and development.
- b. Framework of international economic cooperation.
- c. Economic intelligence.
- d. Organizational plans for economic warfare.

4. The monographs listed in paragraph 1 are essentially descriptions of standard nonmilitary procedures for waging economic warfare. As such, they provide a general basis for planning in the fields covered, and contribute toward an understanding of certain phases of economic warfare. As thus far

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Enclosure "B"

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published, these monographs contain no provisions for over-all coordination of current foreign economic measures in peace nor economic warfare in emergency and war. It is important that the planning by civilian agencies for implementation of the readiness and wartime recommendations of foreign economic measures, such as contained in these monographs, should be properly correlated with military plans through planning agencies of the Department of Defense.

This is the total answer

5. The military Services have no direct responsibilities in the fields covered by the aforementioned monographs in paragraph 1, except in assisting in the production of economic intelligence and in the conduct of military operations having a direct bearing on economic warfare.

6. Within the Department of Defense, the responsibility for coordinating economic warfare planning is a function of the Munitions Board. Guidance on specific problems can be obtained from the Joint Chiefs of Staff.

7. The Munitions Board Outline Plan for Economic Warfare should contain the following:

- a. Organizational structure within the Department of Defense for economic warfare.
- b. Scope of economic warfare interests of the Department of Defense.
- c. Economic measures to be taken under conditions short of war.
- d. Economic measures to be undertaken in the event of war.

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Enclosure "B"